

Hubbis Middle East Wealth Management Forum

Wealth Protection and Succession Solutions - Family Trusts and Alternative Structures for the MENA Region
24 January 2018



Asiaciti Trust Group

Considerations

- Client Concerns
- Regional Client Solutions

Jurisdictions

- Singapore
- Hong Kong
- New Zealand
- UAE
- Samoa
- Cook Islands
- Panama

Structures

- Trusts
- Foundations
- Private Trust Companies
- Private Funds
- International Companies

Client Concerns

Internal Factors

- Dynastic planning – increasingly topical as regional family businesses grow, founders wish to ensure that the family remains in harmony by establishing a structure to manage family dynamics and ensure a smooth transition of assets
- Minimising family conflict – changes in circumstances, divorce, ill health
- People or money crossing borders, migration to high tax jurisdictions
- Philanthropic aspirations

External Factors

- Political instability
- Potential creditors – asset protection
- Forced heirship and foreign ownership rules can create asset fragmentation
- Taxation
- Recent trend in change of client conversations from tax arbitrage to protection of assets from geopolitical risks

Regional Considerations/Solutions

Solutions

- Trusts - reserved powers / asset protection
- Private Trust Company
- Private Unit Trust or Funds
- Foundation
- Special Purpose Companies - companies with split share capital or default succession provisions
- Regional Solutions – DIFC, ADGM, QFC or Bahrain

Planning for Tax Benefit

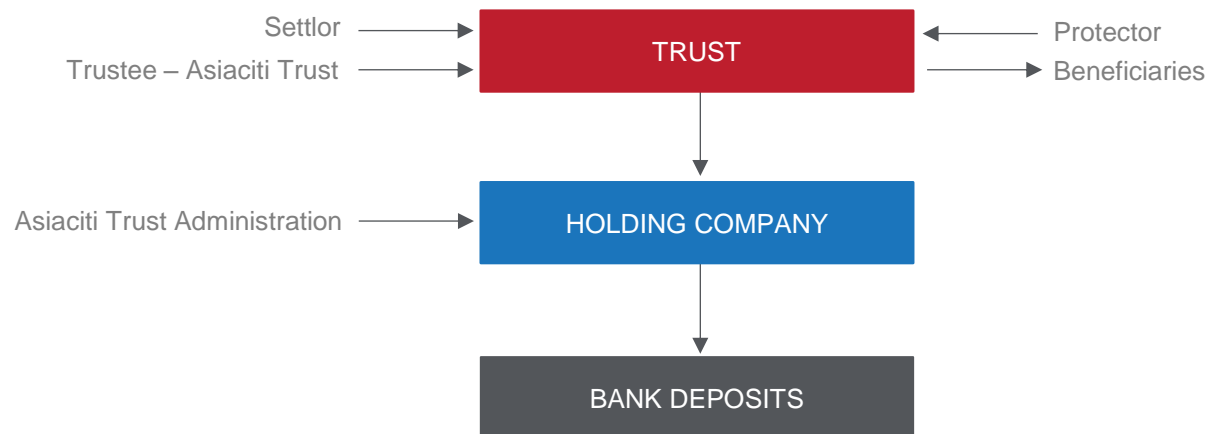
- USA – Foreign Grantor Trust
- Canada – Granny Trust
- UK – So far as possible after 5 April 2017 – excluded property structure

Sharia Compliance

- Can be achieved with careful drafting of a trust deed or foundation regulations

Trusts

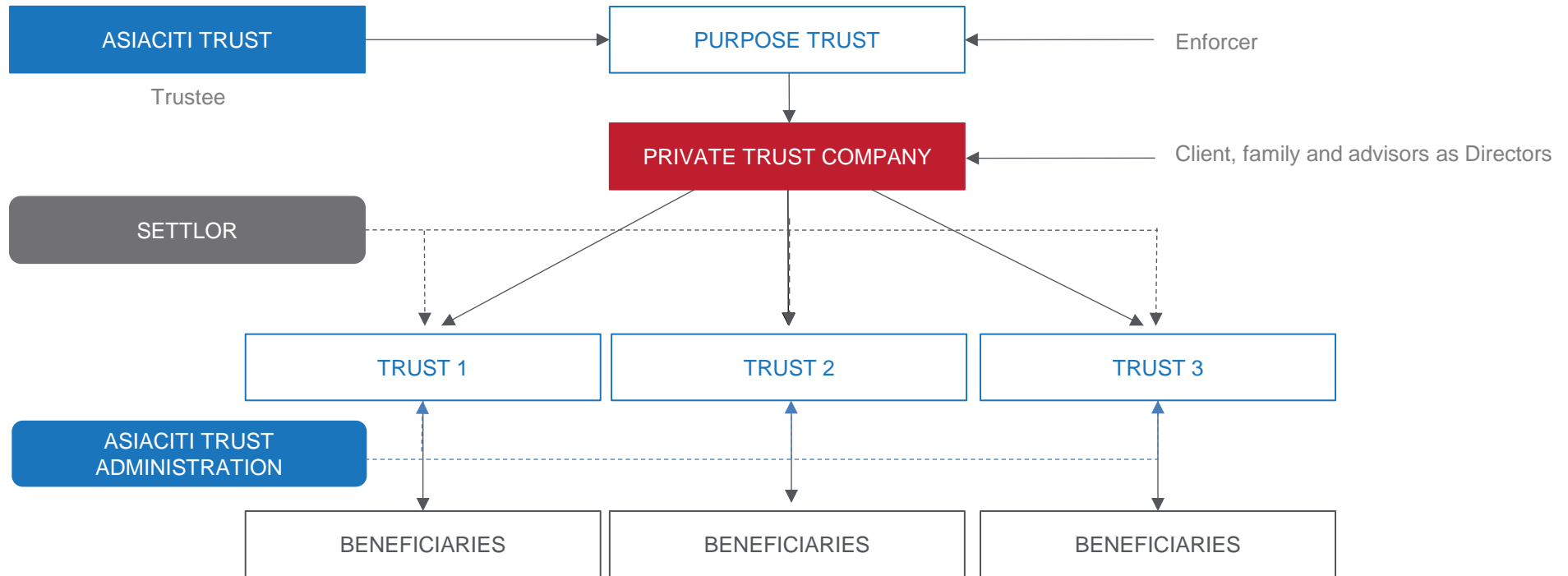
Succession Planning and Wealth Protection



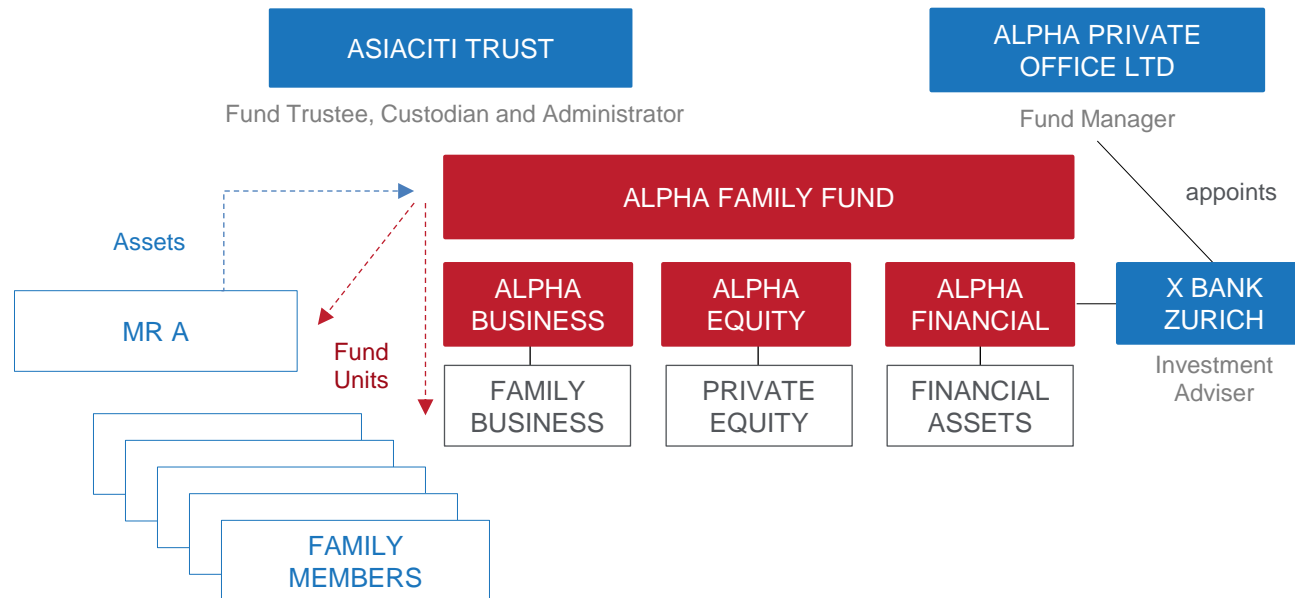
- Clear succession planning according to the settlor’s wishes and avoids any probate and forced heirship concerns
- Reserved powers can be considered for Settlor or Protector to address the common misconception of loss of control
- Asset protection mechanisms can be used to provide protection against potential creditor and geopolitical risks

Private Trust Company

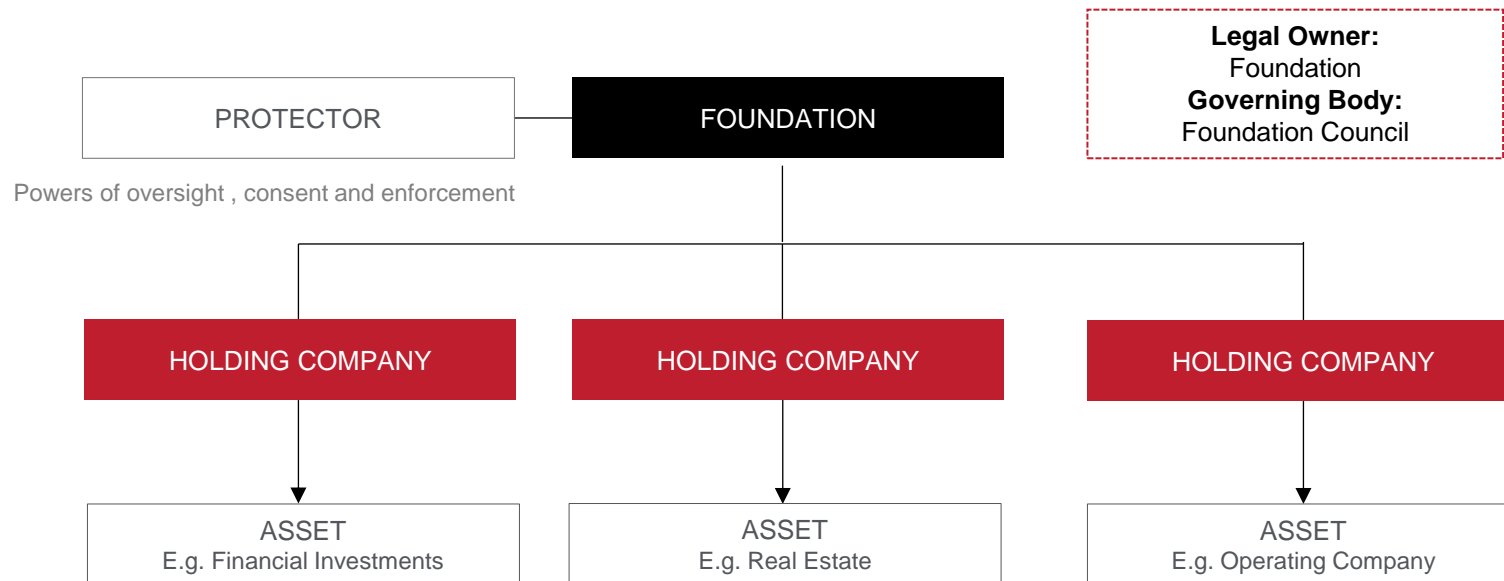
Typical Private Trust Company Structure



Singapore Private Fund for Family Assets

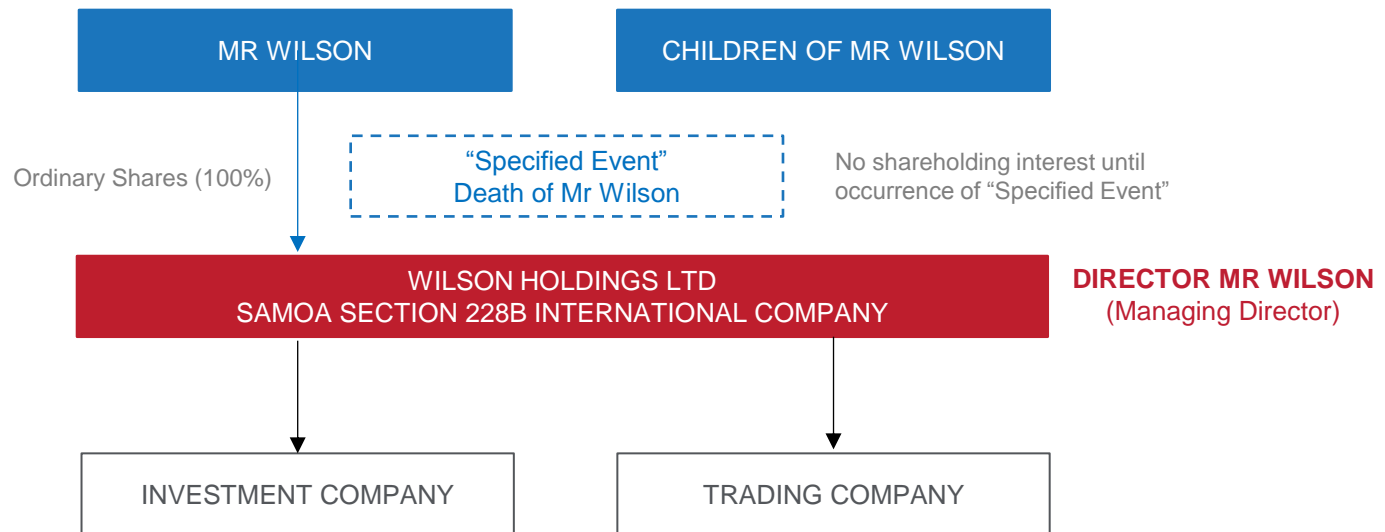


Foundations



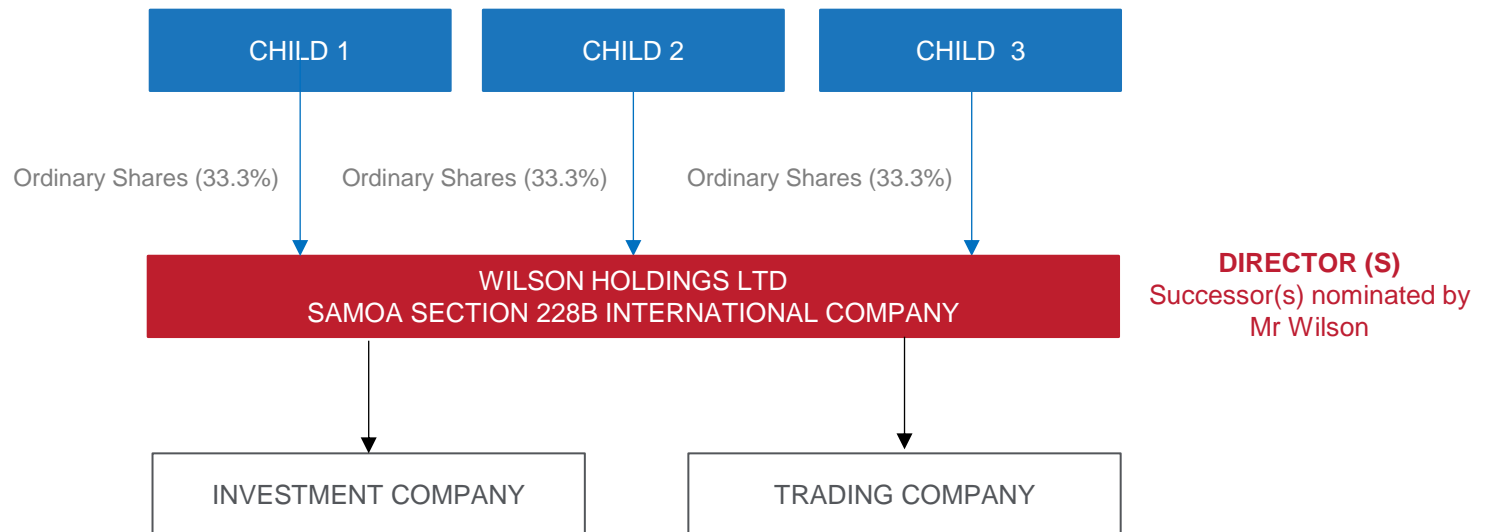
Samoa International Company

Example of the use of Section 228B – Pre Specified Event



Samoa International Company

Example of the use of Section 228B – Post Specified Event



Choosing a Service Provider

Considerations

- Background – history and ownership of service provider
- Jurisdictional reach – geographical and time zone coverage
- Differentiation from competitors – unique selling points and particular strengths and expertise
- Experience and expertise – particular experience in similar services for similar structures
- Level of service provider involvement – e.g. board representation on PTC/SPV boards
- Terms of service – terms and conditions, admin agreements, charging structure
- Safeguards – PI insurance
- Relationship management – “like-mindedness”



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